

# Workers' Compensation Judges Part

Public Employees' Retirement System

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Chapter 259, P.L. 2001, established special retirement benefits for members of the Public Employees' Retirement System (PERS) employed by the Division of Workers' Compensation of the Department of Labor as Workers' Compensation Judges. This fact sheet discusses the retirement benefits that are specific to the Workers' Compensation Judges Part (WCJP) of the PERS.

## COVERED TITLES

Eligible titles for membership in the WCJP of the PERS include:

- Chief Judge
- Administrative Supervisory Judge
- Supervisory Judge
- Judge of Compensation

Members holding any of the above titles who work for the Division of Workers' Compensation of the Department of Labor will retain many regular PERS benefits, including those in the areas of retirement options, disability retirement, and contributory life insurance coverage. Other benefits have been added that are similar to those of the Judicial Retirement System.

## RATE OF CONTRIBUTION

The rate of contribution for the WCJP of the PERS has been set by Statute (Chapter 259) at 5% of base salary.

## RETIREMENT

Under Chapter 259, individuals classified as Workers' Compensation Judges have a special set of retirement terms.

### Definitions

**Workers' Compensation Judge service** means your total years of service as a Workers' Compensation Judge with the Division of Workers' Compensation.

**Regular PERS service** means aggregate years of PERS service in titles other than a Workers' Compensation Judge. This would include service purchased or transferred into the PERS.

**In the aggregate of public service** means the total years of both Workers' Compensation Judge service and regular PERS service.

**Final Salary** means the salary on which your pension contributions are based as of the date of your retirement or death.

**Final Average Salary** means your average salary for the three years immediately preceding your retirement. If your three last years are not your highest years of salary, your retirement allowance will be calculated using your three highest fiscal years (July 1 to June 30) of salary.

### Retirement Types

The following are the retirement qualifications and calculations that are unique to the WCJP of the PERS. There may be several types of retirement for which you may qualify. You will normally retire with the retirement type that gives you the highest benefit.

### Mandatory Retirement

Retirement is mandatory for a Workers' Compensation Judge on the first of the calendar month after you reach the age of 70. However, if you were a Workers' Compensation Judge when Chapter 259 was enacted (December 6, 2001) and have not attained 10 years of service as a Workers' Compensation Judge by the time you reach the age of 70, you may continue to work until 10 years of service has been earned in the WCJP of the PERS.

### Service Retirement

Eligibility for a Service Retirement is based on your age and years of service as a Workers' Compensation Judge, as well as your total years of regular PERS service.

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A Workers' Compensation Judge is eligible for a Service Retirement upon turning age 60.

Your annual retirement benefit is calculated using 75% of your Final Salary if you are:

- **Age 60** or older with 20 or more years of Workers' Compensation Judge service.
- **Age 65** or older with 15 or more years of Workers' Compensation Judge service.
- **Age 70** or older with 10 or more years of Workers' Compensation Judge service.

Your annual retirement benefit is calculated using 50% of your Final Salary if you are:

- **Age 60** or older with five or more consecutive years of service as a Workers' Compensation Judge, and 20 or more years in the aggregate of public service.
- **Age 65** or older with five or more consecutive years of service as a Workers' Compensation Judge, and 15 or more years in the aggregate of public service.

### Early Retirement

You are eligible for an Early Retirement if you are under age 60 with five or more successive years as a Workers' Compensation Judge, with a combined total of 25 or more years in the aggregate of public service. An Early Retirement is calculated at 2% of Final Salary for each year of service up to 25 years, **plus** 1% of Final Salary for each year of service over 25 years, with an actuarial reduction for every month under the age of 60. You should contact the Division for a retirement estimate to determine the reduction.

### Deferred Retirement

If you leave WCJP and PERS employment before you are eligible for a Service or Early Retirement and you were not removed for cause on charges of misconduct or delinquency — you may still have a right to a retirement benefit. This is known as Deferred Retirement.

You are eligible for a WCJP Deferred Retirement if you leave after completing:

- five or more consecutive years of Workers' Compensation Judge service with an aggregate service credit of 10 years or more.

A Deferred Retirement is payable at age 60. The annual retirement benefit is calculated at 2% of your Final Salary for each year of service up to 25 years, **plus** 1% of Final Salary for each year of service over 25 years.

If you are under age 60 and have less than five years of Worker's Compensation Judge service but have an aggregate service credit of 10 years or more you may retire with a Deferred Retirement (payable at age 60) under the regular PERS. The annual retirement benefit is calculated by dividing your total years of service by 55, multiplied by your Final Average Salary. (Example: 11 (years) ÷ 55 X \$72,000 = \$14,400.)

If you apply for a Deferred Retirement and die prior to your retirement becoming effective at age 60, your beneficiary is only entitled to a return of your contributions plus interest.

### Ordinary Disability Retirement

The annual retirement allowance for an approved Ordinary Disability Retirement is equal to 1.64% of your Final Average Salary for each year of service **OR** 43.6% of Final Average Salary, whichever is higher. There are no age stipulations for this retirement benefit; however, you must meet all of the following criteria:

- You must be considered totally and permanently disabled from performing normal job duties.
- Your application must be submitted within two years of your termination of employment.
- You must have a minimum of 10 years of New Jersey service (out-of-state, military, and U.S. government purchases are not considered New Jersey service).

### Accidental Disability Retirement

The annual retirement allowance for an approved Accidental Disability Retirement is 72.7% of your salary at the time of the accident. There are no age stipulations for this retirement benefit; however, you must meet all of the following criteria:

- You are totally and permanently disabled as a direct result of a "traumatic event" while performing normal job duties. A "traumatic event" is defined by the courts as one in which the

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worker is involuntarily exposed to a violent level of force or impact which is not brought in to motion by the worker.

- You have an active pension account (active membership ceases after discontinuance of service for more than two consecutive years).
- Your *Application for Accidental Disability Retirement* is submitted within five years of the accident date.

If you are not approved for an Accidental Disability Retirement, but are found by the PERS Board of Trustees to be totally and permanently disabled and you have 10 or more years of New Jersey service, you may be retired under an Ordinary Disability.

Approval for Workers' Compensation or Social Security Disability benefits has no bearing on approval for disability retirement from the PERS.

### **Veteran Retirement**

If you are a qualified military veteran, you may take a Veteran Retirement. Qualified veterans must be in active employment until the effective date of retirement or must have met the requirements for a Veteran Retirement as of their termination date.

Veterans may retire after 25 years of PERS membership credit at age 55 or older or after 20 years of PERS membership credit at age 60 or older. The annual benefit is equal to 54.5% of the salary upon which pension contributions were based during the last year of employment or highest 12 consecutive months of base salary.

Veterans with 35 or more years of PERS membership credit at age 55 or older are entitled to an annual allowance based on the following formula:

Years of Service X Last Year's Salary = Annual Retirement Allowance

If you are not already listed as a veteran in the Division of Pensions and Benefits' records, you should submit a copy of your DD-214 or discharge papers showing both your induction and discharge dates to:

NJ Department of Military and Veterans Affairs  
ATTN: DVP-VBB  
PO Box 340  
Trenton, NJ 08625-0340

Attach a note to the discharge papers indicating that you want to obtain veteran status for pension purposes and include your address on the note.

For additional information about veteran status, see Fact Sheet #17, *Veteran Status*, which is available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

### **SURVIVOR BENEFITS**

#### **Active Survivor's Benefit**

In the event of your death, as an active member of the WCJP of the PERS, there is a survivor's benefit of 25% of your Final Salary that is payable to your surviving spouse, plus 10% of the Final Salary is payable to one surviving child\*, or 15% of your Final Salary to two or more surviving children.

If there is no surviving spouse or, if your spouse dies or remarries, 15% of your Final Salary is payable to one surviving child, 20% of Final Salary to two surviving children in equal shares, and, if there are three or more children — 30% of Final Salary is payable in equal shares.

If there is no surviving spouse or child, 20% of the Final Salary shall be payable to one surviving dependent parent\*\* or 30% of Final Salary shall be payable to two surviving dependent parents in equal shares.

#### **Retired Survivor's Benefit**

There is no automatic survivor's benefit once you retire. At retirement you will have the same options available to all PERS members when selecting a survivor's retirement allowance. For more information about the available options see Fact Sheet #5, *Pension Options*, which is available from your

*\*\*"Child" means an unmarried child who is under the age of 18; a child of any age who is disabled because of mental retardation or physical incapacity and is unable to do any substantial, gainful work because of the impairment; or a child who is under the age of 21 and is attending school full-time.*

*\*\*\*"Parent" means the parent of a member who was receiving at least one-half of his or her support from the member in the 12-month period immediately preceding the member's death. The survivor benefit is terminated by marriage of the parent subsequent to the death of the member.*

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employer, by contacting the Division of Pensions and Benefits, or over the Internet at:

[www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

**GROUP LIFE INSURANCE DEATH BENEFIT**

Two types of group life insurance — Noncontributory Group Life Insurance and Contributory Group Life Insurance, cover most active members of the WCJP.

Retirees, with at least 10 years of service credit or who retired on a disability retirement, may have Noncontributory Group Life Insurance in effect during retirement.

**Noncontributory Group Life Insurance**

For **active members** enrolled in Noncontributory Group Life Insurance, the benefit amount is 1½ times your Final Salary.

For **retired members** with Noncontributory Group Life Insurance:

- If you retire on an Early or Service Retirement, the death benefit payable to your beneficiary(ies) is ¼ times your Final Salary.

- If you are approved for an Ordinary or Accidental Disability Retirement, and you die before the age of 60, the death benefit payable to your beneficiary(ies) is equal to 1½ times your Final Salary. If death occurs after age 60, the death benefit is equal to ¼ times your Final Salary.

**Contributory Group Life Insurance**

For **active members** enrolled in Contributory Group Life Insurance, the benefit amount is equal to 1½ times your Final Salary.

**No retired Contributory Group Life Insurance benefit is offered.**

**FOR MORE INFORMATION**

The *PERS Member Handbook* and all of the fact sheets mentioned in this publication can be found on our Web site at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions). This site is a valuable source for up-to-date information about your pension and the State Health Benefits Program.

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Although every attempt at accuracy is made, it cannot be guaranteed.

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